

**California Bay-Delta Public Advisory Committee
Water Supply Subcommittee (WSS) March 9, 2004 Meeting Summary**

Bonderson Building Hearing Room
9:00 a.m. to noon

Welcome and Introductions -9:10 am

The following subcommittee members and alternates attended the meeting: Jerry Meral, Allan Zepp, Dan Nelson, Steve Hall, Richard Denton, and Bernice Sullivan.

The meeting focused on the following agenda items:

1. In-Delta Storage Report Briefing
2. Independent Science Board for Working Landscapes
3. Program Plan Review Briefings
4. Future Meeting Date

Agenda Items and Discussions

1. In-Delta Storage Project Briefing (IDS) (Presenter- Stephen Roberts)

DWR has been studying the In –Delta Wetlands Project Proposal for several years. The private project envisioned converting two Delta islands to reservoirs and two islands for wild life habitat. DWR has reengineered the project to meet state feasibility requirements and calculated its cost and benefits. Studies are currently released for public comment until March 20, 2004. Public comments are expected to be summarized during April and May 2004. The reengineered In-Delta Storage Project could provide 124 to 136 TAF average annual water supplies, improve system flexibility, habitat, and seismic stability of levees in the Delta. However, water quality studies are needed to define operations and assure water quality benefits. Total capital costs are estimated at \$774 million dollars with annual costs of \$60 million and water supply benefits valued between \$23 and \$26 million. Water quality and system flexibility benefits have not yet been valued. DWR is working with the CBDA to develop appropriate economic methods and models to value benefits for all CALFED projects.

Comments:

There were several comments on Project Dismissal Agreements, potential financing, and valuing how the reservoir islands could help water quality in the event of levee failure in the Delta.

Action Items:

1. Post the slides on the WSS web page.
2. DWR offered to meet with concerned individuals to assure Project Dismissal Agreements were being met.

Delta Wetlands Project Comments (Presenter –Andy Moran)

Mr. Moran complemented the DWR studies that concluding the In-Delta Project was technically feasible with many benefits. He suggested that the benefit of system flexibility as measured by the systems ability to hold water upstream to carry over water later in the year may be of significant value. He also characterized some of the economic model assumptions as over estimating cost and underestimating benefits and called for better economic tools to value projects. Finally, he thought the carbon release assumptions for the water quality estimates were high.

Surface Storage Progress Report Briefing (Presenter–Stephen Roberts)

DWR and USBR have collaborated to present a Progress Report on the five CALFED Surface Storage Projects investigations to the Water Supply Subcommittee and then the BDPAC. The purpose is to relate the planning activities, major findings, challenges budgets, and schedules for each project. This information is intended to assist potential partners assess their interest in surface storage projects and to help agencies decide whether to invest in further project planning. Challenges shared by all projects are the identification of beneficiaries, completion of common comparative baselines, and a shortage of funding needed to complete planning activities. Agency plans to address these challenges were discussed and are included in the report. The presentation culminated with: Given insufficient funding to complete planning studies on all five projects, an important question to answer is what minimum level of planning is required to prioritize projects for completion? See presentation slides and draft report on the WSS web page.

Comments

1. The WSS members need to decide what they will ask of the BDPAC to help resolve the challenges presented in the progress report.
2. The WSS needs the common assumptions baseline set and results first then application of better economic models to make an intelligent decision on which projects go forward.
3. How long will it take to perform the common assumptions and economic analysis? What will this effort cost? If it takes too long, how do we make the decision?
4. Hydro power production estimates needs to be added to the list of benefits for each project.
5. The 2020 level of demand needs to be updated to 2030.
6. Economic calculations are different than financing calculations with the financing assumptions are more realistic.

Action Items

1. To include a more detailed presentation of the funding issues at the next WSS meeting.
2. Give a common assumptions presentation at the next WSS meeting.
3. Read and comment on the Progress Report by the WSS meeting.

4. Discuss the In Delta Project and the San Luis Low Point Project at the next WSS meeting even if the presentations run into the late afternoon.

2. Independent Science Board for Working Landscapes (Presenter- Matt Reeve)

A representative of the Department of Food and Agriculture presented a letter that requested the CBDA to include expertise in the fields of rural sociology and agricultural economics on the Independent Science Board and asked for concurrence by the WSS.

Comments

1. It was unclear the letter presented was the latest version.
2. The full BDPAC may not have agreed to this letter.

Action Items

1. Present the latest version at the next WSS meeting for discussion.
2. Report when the letter will be on the BDPAC agenda.

3. Program Plan Review Briefings

Groundwater Storage/Conjunctive Water Management Program (Presenter –John Woodling)

The purpose of the program is to improve local and regional groundwater management and develop locally controlled conjunctive use to improve water supply reliability. The program estimates that local projects resulting from a combination of planning and construction grants administered by the program will provide an additional 300 TAF of water on average annually. Future priorities are continued partnerships, planning grants, and oversight of existing studies and construction grants. The program will also encourage conjunctive use as an element of integrated regional water management, improve performance measures, and develop synergies from increased cross program and multi agency coordination. Unfortunately, there is no more money allocated for project construction in the future, which may limit opportunities for some local agencies

Comments/Action Items

1. WSS members want the program to identify the need for construction funding for additional projects.
2. The recommendations should include costs, yield, local and state wide benefits of each project.

Environmental Water Account (EWA) (Presenter –Teresa Geimer)

A brief explanation of the EWA and operations over the last three years was presented. Key issues to be decided for EWA include: does it continue after 2004, who are the beneficiaries and how will it be funded, what are the operating rules with new facilities,

and what are the EWA assets to be in the future? Most of these issues need to be decided by September 2004. The EWA program is also completing a long term EIR/S and other environmental documentation. The short term EIR/S was completed recently. Discussions are continuing on how to fund a long term EWA.

Comments/Action items -None

4. Future Meeting Date

Jerry Meral announced that the next meeting date was April 14, 2004 and that the WSS would hear the remaining Program Plans for Water Transfers and Conveyance at that meeting.

The meeting was adjourned at 12:30 pm.